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T.R.A. DOCKET ROOM

August 11, 2003

Mr. Aster Adams
Chief, Economic Analysis and Market Monitoring Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Application of RBS Gas Utility, Inc. to Transfer Ownership and Control
Docket No. 03-00428

Dear Mr. Adams:

In response to your letter of July 26, 2003:

1. Why was this petition not filed prior to the transfer of control, as required by T.C.A. § 65-4-113?

The petition was not filed because the new owner, Mr. Ed Ayers, was unaware that TRA approval is required. T.C.A. § 65-4-113 refers to the transfer of a carrier's operating authority to another entity. This case does not involve a transfer of authority. The operating authority is held by RBS Gas Utility, Inc. and has not been transferred to any other entity.

2. Does RBS have operations in any states other than Tennessee? If so, are separate financial records maintained for the Tennessee operation?

No.

3. What Tennessee staff does RBS have in addition to the new owner? Is this staff retained from when RBS was under previous ownership? What technical, managerial and financial duties are performed by this staff?

The systems is operated on a day-to-day basis by Tim Scott, a full time employee, who performed the same function for the previous owner. The new owner also receives unpaid bookkeeping assistance from his wife, Michelle Ayers, and his father-in-law, Homer Cummings, a Certified Public Accountant. Finally, Mr. Ayers uses Pete Grimes, a civil engineer as a paid consultant on rate matters.

4. Is the advisory role of former owner W. E. Hawthorn, described in the petition, an official or unofficial role? Is Mr. Hathorn compensated for this advisory role?

Mr. Hathorn is an unofficial advisor to the company but is not compensated.

5. How many Tennessee customers does RBS serve?

215 customers

6. Explain if and how Mr. Ayers understands his responsibilities concerning any/all reports and forms to be filed with the Authority.

Mr. Ayers has had several conversations with counsel and with the TRA staff and understands his responsibilities concerning the filing of reports and forms with the Authority.

7. How does Mr. Ayers intend to keep RBS' financial records? What accounting principles does he intend to follow?

Mr. Homer Cummings, a C.P.A., keeps the company's financial records.

8. Please describe Mr. Ayers' past experience in dealing with regulatory agencies and how he intends to follow all TRA rules and Regulations as they apply to the ownership and operation of RBS?

Mr. Ayers has no prior experience dealing with the operations of a gas utility or a utility regulatory agency but understands his obligation to follow the TRA's rules and regulations.

9. Please describe Mr. Ayer's past work experience related to running a gas company.

None.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:  /pp
Henry Walker

HW/pp

Cc: Mr. Edward R. Ayers